

RECEIVED AUG 16 2010



SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality (DEQ), and Sinclair Wyoming Refining Company (SWRC) a Wyoming corporation authorized to do business in Wyoming, enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in **Notice of Violation Docket No. 4646-10, dated March 8, 2010**. The Notice of Violation alleges that SWRC is in violation of the Wyoming Environmental Quality Act (Act) and applicable Solid and Hazardous Waste Rules & Regulations or permit conditions.

W.S. 35-11-901 (a)(ii) authorizes the DEQ to negotiate a stipulated settlement, including payment of a penalty, compliance schedules, or other enforcement conditions, in lieu of litigation. To that end, SWRC and the DEQ hereby stipulate and agree as follows.

1. The DEQ is responsible for enforcing the Wyoming Environmental Quality Act and Rules and Regulations promulgated thereunder.
2. SWRC operates a refinery in Sinclair, WY.
3. DEQ alleges that SWRC failed to ship hazardous waste within the required ninety (90) day storage limitation time. [HWRR, Chapter 8, Sections 3(e)(ii), 3(e)(iv), and (v), permit condition Part 1, I.D.(1.)(C.), and Attachment 2-A]
4. DEQ alleges that SWRC failed to inspect the hazardous waste tank (Tank 521) weekly and does not have record of weekly RCRA inspections for the tank. [HWRR, Chapter 8, Section 3(e)(iv)(B), Chapter 10, Section 8(e) require inspections, Chapter 10, Section 2(f)(iv), require records of inspection, permit condition Part 1, I.D.9(1.)(C.), and Attachment 2-A]
5. DEQ alleges that SWRC failed to label the hazardous waste tank (Tank 521) with the required waste accumulation date to determine when the regulatory limit for temporary storage had been exceeded. SWRC did not label the tank with the words "Hazardous Waste". [HWRR, Chapter 8, Section 3(e)(i)(B), and Chapter 8 Section 3(e)(C), permit condition Part 1, I.D.(1.)(C.), and Attachment 2-A]



6. DEQ alleges that SWRC failed to close the tank (Tank 521) holding hazardous waste during storage, except when necessary to add or remove waste. [HWRR, Chapter 10, Section 8, (d)(i)] SWRC opened Tank (TK) 521 for cleaning on November 15, 2009. TK 521 remained open until February 11, 2010, when SWRC was made aware of this regulation by WDEQ.
7. Since receiving the Notice of Violation Docket No. 4646-10 on or about March 8, 2010, SWRC has corrected the above violations, and has developed procedures to prevent recurrence of the above violations. DEQ encouraged SWRC to recycle as much oil from the 1,387,390 pounds of waste as possible from TK 521. DEQ took into consideration the 88% oil recovery from the TK 521 waste material. The cleaning of tank 521 produced 145,240 pounds of hazardous waste solids for disposal. The amount of oil recovered/recycled was 1,242,150 pounds.
8. SWRC, in accordance with this Settlement Agreement, agrees to pay a total of \$139,740 as a stipulated penalty. Such payments shall be made no later than September 15, 2010, by check payable to the Wyoming Department of Environmental Quality and addressed to the Wyoming Department of Environmental Quality, Attention: WDEQ/SHWD, Herschler Building, 4th Floor West Wing, 122 W. 25th Street, Cheyenne, WY 82002.
9. SWRC's full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all present and future claims by DEQ against SWRC based on the acts or omissions specifically alleged to be violations in Notice of Violation No. 4646-10. Contingent on SWRC's compliance with the terms of this Settlement Agreement, DEQ will refrain from taking further enforcement action against SWRC for the violations specifically alleged in Notice of Violation No. 4646-10.
10. SWRC waives any statute of limitations which may apply to an enforcement action by the DEQ/SHWD involving the specific matters described in Notice of Violation No. 4646-10 in the event that SWRC fails to fulfill its obligations under this Settlement Agreement.
11. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties.
12. Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by both parties.

13. This Settlement Agreement is binding upon SWRC, its successors and assigns, and upon the DEQ.
14. This Settlement Agreement may only be amended in writing, signed by both parties.
15. The State of Wyoming and the Department of Environmental Quality, do not waive sovereign immunity by entering into this Settlement Agreement, and specifically retain all immunity and all defenses to them as sovereigns pursuant to Wyo. Stat. Ann. § 1-39-104(a) and all other state law.
16. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.
17. This agreement is not binding until fully executed by all parties to this Agreement.
18. SWRC, by entering this Agreement, does not concede or admit to any liability or fault.

FOR: Sinclair Wyoming Refining Company

Signed: 

Date: 9/1/10

Typed: James P Maguire

Title: Refinery Manager

FOR: THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

_____, Director
Department of Environmental Quality (DEQ)

Date: _____

_____, Administrator
DEQ/Solid & Hazardous Waste Division

Date: _____